cisco to Honolulu marks the natural limit of the ocean belt within which our trade with the oriental countries must flow, and is, moreover, the direct line of communication between the United States and Australasia. Within this belt lies the commercial domain of our Western coast.

I have had recent occasion to set forth the vitally integral importance of our Pacific possessions, in a circular letter addressed on the 24th of June last to our representatives in Europe, touching the necessary guarantees of the proposed Panama Canal as a purely American waterway to be treated as part of our own coast line. The extension of commercial empire westward from those States is no less vitally important to their development than is their communication with the Eastern coast by the Isthmian channel. And when we survey the stupendous progress made by the western coast during the thirty years of its national life as a part of our dominion, its enormous increase of population, its vast resources of agriculture and mines, and its boundless enterprise, it is not easy to set a limit to its commercial activity or foresee a check to its maritime supremacy in the waters of the Orient, so long as those waters afford, as now, a free and neutral scope for our peaceful trade.

In thirty years the United States has acquired a legitimately dominant influence in the North Pacific, which it can never consent to see decreased by the intrusion therein of any element of influence hostile to its own. The situation of the Hawaiian Islands, giving them the strategic control of the North Pacific, brings their possession within the range of questions of purely American policy, as much so as that of the Isthmus itself. Hence the necessity, as recognized in our existing treaty relations, of drawing the ties of intimate relationship between us and the Hawaiian Islands so as to make them practically a part of the American system without derogation of their absolute independence. The reciprocity treaty of 1875 has made of Hawaii the sugar-raising field of the Pacific slope and gives to our manufacturers therein the same freedom as in California and Oregon. That treaty gave to Hawaii its first great impetus in trade, and developed that activity of production which has attracted the eager attention of European powers, anxious to share in the prosperity and advantages which the United States have created in mid-ocean. From 1877, the first full year succeeding the conclusion of the reciprocity treaty, to 1880, the imports from Hawaii to the United States nearly doubled, increasing from $2,550,335 in value to $4,606,444, and in this same period the exports from the United States to Hawaii rose from $1,272,949 to $2,026,170. In a word, Hawaii is, by the wise and beneficent provisions of the treaty, brought within the circle of the domestic trade of the United States, and our interest in its friendly neutrality is akin to that we feel in the guaranteed independence of Panama. On the other hand, the interests of Hawaii must inevitably turn toward the United States in the future, as in the present, as its natural and sole ally in conserving the domination of both in the Pacific trade. Your own observation, during your residence at Honolulu, has shown you the vitality of the American sentiment which this state of things has irresistibly developed in the Islands. I view that sentiment as the logical recognition of the needs of Hawaii as a member of the American system of States rather than as a blind desire for a protectorate or ultimate annexation to the American Union.

This Government has on previous occasions been brought face to face with the question of a protectorate over the Hawaiian group. It has, as often as it arose, been set aside in the interest of such commercial union